AMENDED IN SENATE MAY 3, 2011 AMENDED IN SENATE MARCH 24, 2011

SENATE BILL

No. 829

Introduced by Senator DeSaulnier

February 18, 2011

An act to amend Sections 148.5, 148.6, 148.8, 149.5, 6309, 6317, 6600, 6601, 6601.5, 6602, 6603, 6610, 6620, 6621, 6622, 6625, 6627, and 6630 of, and to add Sections 6319.6, 6603.1, 6603.2, and 6603.3 to, the Labor Code, relating to employment safety.

LEGISLATIVE COUNSEL'S DIGEST

SB 829, as amended, DeSaulnier. Division of Occupational Safety and Health: Occupational Safety and Health Appeals Board.

Existing law establishes the Division of Occupational Safety and Health in the Department of Industrial Relations to enforce employment safety laws. Existing law authorizes the division to conduct hearings, inspections, and investigations regarding alleged violations of employment safety laws and to issue citations to employers. Existing law establishes the Occupational Safety and Health Appeals Board in the department and prescribes procedures for the appeals board to hear and decide employer appeals of the division's enforcement actions.

This bill would revise and recast various provisions regarding citations issued by the department, the persons or entities who are authorized to participate as a party in an appeal before the appeals board, and the procedures that govern the appeals board in hearing and deciding appeals. The bill also would make other related clarifying and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 148.5 of the Labor Code is amended to read:

148.5. The appeals board, in adjudicating appeals, shall liberally construe the provisions of Division 5 (commencing with Section 6300), as well as the standards and orders adopted by the Division of Occupational Safety and Health or the department pursuant to that division, and the standards and orders adopted by the Occupational Safety and Health Standards Board pursuant to Chapter 6 (commencing with Section 140) in order to ensure safe and healthy working conditions for the working men and women of this state. A decision of the appeals board is final, except for any rehearing or judicial review as permitted by Chapter 7 (commencing with Section 6600) of Part 1 of Division 5.

SEC. 2. Section 148.6 of the Labor Code is amended to read: 148.6. A decision of the appeals board is binding on the director and the Division of Occupational Safety and Health with respect to the parties involved in the particular appeal. The director, a party, and any affected person may seek judicial review of an appeals board decision irrespective of whether or not he or she appeared or participated in the appeal to the appeals board or its hearing officer.

SEC. 3. Section 148.8 of the Labor Code is amended to read: 148.8. The appeals board and its duly authorized representatives in the performance of its duties has the powers of a head of a department as set forth in Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code, except for Section 11185 of the Government Code. In adjudicating appeals, the appeals board is subject to and shall apply the rules and regulations adopted by the department for the purpose of assisting in the enforcement of the provisions of this code regarding occupational safety and health.

SEC. 4. Section 149.5 of the Labor Code is amended to read: 149.5. (a) The appeals board may award reasonable costs, including attorney's fees, consultant's fees, and witness' fees, not to exceed five thousand dollars (\$5,000) in the aggregate, to any employer who appeals a citation resulting from an inspection or investigation conducted on or after January 1, 1980, issued for a violation of Division 5 (commencing with Section 6300) or of an

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1 occupational safety and health standard, rule, order, or regulation 2 adopted pursuant to Chapter 6 (commencing with Section 140) of 3 Division 1 if (1) the employer prevails in the appeal or the citation 4 is withdrawn, and (2) the appeals board finds that the issuance of 5 the citation was the result of arbitrary or capricious action or 6 conduct by the division. The appeals board may award reasonable 7 costs, including attorney's fees, consultant's fees, and witness' 8 fees, not to exceed five thousand dollars (\$5,000) in the aggregate, to the division if (1) it prevails in an appeal filed by the employer 10 or the appeal is withdrawn, and (2) the appeals board finds that 11 the employer acted in bad faith or had no factual basis for filing 12 the appeal. 13

- (b) Costs and fees awarded to the division shall be deposited into the division's regular operating budget.
- (c) The payment of costs and fees by the division pursuant to this section shall be from funds in the division's regular operating budget. The division shall show in its proposed budget for each fiscal year the following information with respect to the prior fiscal year:
 - (1) The total costs paid.

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- (2) The number of cases in which costs were paid.
- SEC. 5. Section 6309 of the Labor Code is amended to read:

6309. (a) If the division learns or has reason to believe that an employment or place of employment is not safe or is injurious to the welfare of an employee, it may, on its own motion, or upon complaint, summarily investigate the same with or without notice or hearings. However, if the division receives a complaint from (1) an employee, (2) an employee's representative, including, but not limited to, an attorney, a family member, a union representative, regardless of whether the representative's union has a collective bargaining agreement with the employer, or a community, employee, or legal organization, (3) a health or safety professional, (4) a government agency representative, or (5) an employer of an employee directly involved in an unsafe place of employment, that his or her employment or place of employment is not safe, it shall, with or without notice or hearing, summarily investigate the complaint as soon as possible, but not later than three working days after receipt of a complaint charging a serious violation, and not later than 14 calendar days after receipt of a complaint charging a nonserious violation. The division shall attempt to determine the SB 829 —4—

period of time in the future that the complainant believes the unsafe condition may continue to exist, and shall allocate inspection resources so as to respond first to those situations in which time is of the essence. For purposes of this section, a complaint is deemed to allege a serious violation if the division determines that the complaint charges that there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use in a place of employment. When a complaint charging a serious violation is received from a state or local prosecutor, or a local law enforcement agency, the division shall summarily investigate the employment or place of employment within 24 hours of receipt of the complaint. All other complaints are deemed to allege nonserious violations. The division may enter and serve any necessary order relative thereto. The division is not required to respond to a complaint within this period where, from the facts stated in the complaint, it determines that the complaint is intended to willfully harass an employer or is without any reasonable basis.

- (b) The division shall keep complete and accurate records of all complaints, whether verbal or written, and shall inform the complainant, whenever his or her identity is known, of any action taken by the division in regard to the subject matter of the complaint, and the reasons for the action, within 14 calendar days of taking any action. The records of the division shall include the dates on which any action was taken on the complaint, or the reasons for not taking any action on the complaint. The division shall, pursuant to authorized regulations, conduct an informal review of any refusal by a representative of the division to issue a citation with respect to an alleged violation. The division shall furnish the employee or the representative of employees requesting the review a written statement of the reasons for the division's final disposition of the case.
- (c) The name of a person who submits to the division a complaint regarding the unsafe condition of an employment or place of employment shall be kept confidential by the division, unless that person requests otherwise.
- (d) The division shall annually compile and release on its Internet Web site data pertaining to complaints received and citations issued.

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(e) The requirements of this section do not relieve the division of its requirement to inspect and—assure ensure that all places of employment are safe and healthful for employees. The division shall maintain the capability to receive and act upon complaints at all times.

SEC. 6. Section 6317 of the Labor Code is amended to read: 6317. (a) If, upon inspection or investigation, the division believes that an employer has violated Section 25910 of the Health and Safety Code, Division 5 (commencing with Section 6300) of this code, or any standard, rule, order, or regulation adopted pursuant to Chapter 6 (commencing with Section 140) of Division 1 of this code, or any standard, rule, order, or regulation established pursuant to this code, it shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of the code, standard, rule, regulation, or order alleged to have been violated. In addition, the citation shall fix a reasonable time for the abatement of the alleged violation. The period specified for abatement shall not commence running until the date the citation or notice is received by certified mail and the certified mail receipt is signed, or if not signed, the date the return is made to the post office. If the division officially and directly delivers the citation or notice to the employer, the period specified for abatement shall commence running on the date of the delivery.

- (b) A "notice" in lieu of citation may be issued with respect to violations found in an inspection or investigation which meet either of the following requirements:
- (1) The violations do not have a direct relationship upon the health or safety of an employee.
- (2) The violations do not have an immediate relationship to the health or safety of an employee, and are of a general or regulatory nature. A notice in lieu of a citation may be issued only if the employer agrees to correct the violations within a reasonable time, as specified by the division, and agrees not to appeal the finding of the division that the violations exist. A notice issued pursuant to this paragraph shall have the same effect as a citation for purposes of establishing repeat violations or a failure to abate. Every notice shall clearly state the abatement period specified by the division, that the notice may not be appealed, and that the notice

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has the same effect as a citation for purposes of establishing a repeated violation or a failure to abate. The employer shall indicate agreement to the provisions and conditions of the notice by his or her signature on the notice.

- (c) Under no circumstances shall a notice be issued in lieu of a citation if the violations are serious, repeated, willful, or arise from a failure to abate.
- (d) The director shall prescribe guidelines for the issuance of these notices.
- (e) The division may impose a civil penalty against an employer as specified in Chapter 4 (commencing with Section 6423). A notice in lieu of a citation may not be issued if the number of first instance violations found in the inspection (other than serious, willful, or repeated violations) is 10 or more violations.
- (f) No citation or notice shall be issued by the division for a given violation or violations after six months have elapsed since occurrence of the violation, except that a citation may be amended pursuant to Section 6603.2.
- (g) The director shall prescribe procedures for the issuance of a citation or notice.
- (h) The division shall prepare and maintain records capable of supplying an inspector with previous citations and notices issued to an employer.
 - SEC. 7. Section 6319.6 is added to the Labor Code, to read:
- 6319.6. (a) The appeals board shall not stay an abatement measure required by the division as part of an enforcement action pending appeal unless the employer indicates, by verified petition in its notice of appeal to the appeals board, that it seeks a stay of abatement and states the reasons why abatement is not necessary to protect the health or safety of employees. The employer may submit additional evidence, under penalty of perjury, accompanying the verified petition, upon which a decision may be made. Any party may, within 10 calendar days of the employer's notice of appeal, submit declarations or other evidence, under penalty of perjury, as to why abatement should not be stayed. The employer may request a hearing before the appeals board on this issue upon payment of a filing fee of two hundred fifty dollars (\$250).
- (b) The appeals board may make a determination regarding the request for a stay of abatement based on the employer's verified

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petition and the evidence submitted under penalty of perjury by the employer and any other party, or may hold a hearing within 30 calendar days of receipt of the verified petition. The abatement shall be stayed pending the determination.

- (c) The appeals board shall issue a written determination within 30 calendar days of receipt of the employer's petition for a stay of abatement, or within 10 days of completion of the hearing if a hearing is held, granting or denying the requested stay of abatement with an explanation of the reasons for its decision.
- (d) The appeals board may grant a stay of abatement pending appeal if it finds either of the following:
- (1) No employee will be exposed to an unsafe or unhealthy condition.
- (2) The condition is unlikely to cause death, serious injury or illness, or serious exposure to any worker.
- (e) Notwithstanding subdivision (c), the appeals board may take an additional 30 days to complete the hearing process if it determines that the complexity of the matter requires the additional time for an adequate resolution and that employee safety will not be jeopardized by the delay.
- (f) The appeals board may order the employer to implement interim safety or health measures as part of a determination that the matter will be extended for the additional 30 days pursuant to subdivision (e) or should it grant a stay of abatement.
 - SEC. 8. Section 6600 of the Labor Code is amended to read:
- 6600. (a) Any employer served with a citation or notice pursuant to Section 6317, or a notice of proposed penalty under this part, or any other person obligated to the employer as specified in subdivision (b) of Section 6319, may appeal to the appeals board within 15 working days from the receipt of the citation or the notice with respect to violations alleged by the division, abatement periods, amount of proposed penalties, and the reasonableness of the changes required by the division to abate the condition.
- (b) Whenever a citation has been issued or a notice served pursuant to Section 6308 or 6317, the appeals board shall permit any of the following, within 15 working days of actual notice of the citation or notice, to participate in an appeal and to contest the reasonableness of the period of time fixed in the citation or order for the abatement of the violation, the sufficiency of the changes

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1 required to abate the condition, and or the characterization of the violation:

- (1) An employee or his or her representative, as described in Section 6309.
- (2) A union that has a collective bargaining agreement with any employer that covers the cited employer's place of employment.
- (3) A deceased worker's successor in interest, heir, beneficiary, or other representative.
- (c) The appeals board may allow any other person or entity to participate as a party in an appeal in the interests of justice.
- (d) The division is a party to all proceedings before the appeals board, whether or not the division has appeared or participated in a given proceeding.
 - SEC. 9. Section 6601 of the Labor Code is amended to read:
- 6601. If, within 15 working days from receipt of the citation or notice of civil penalty issued by the division, the employer fails to notify the appeals board that it intends to contest the citation or notice of proposed penalty, and no notice contesting the abatement period, the sufficiency of the changes required to abate the condition, or the characterization of any violation is filed by any party described in subdivision (b) of Section 6600 within that time, the citation or notice of proposed penalty shall be deemed a final order of the appeals board and not subject to review by any court or agency. The 15-day period may be extended by the appeals board for good cause.
- SEC. 10. Section 6601.5 of the Labor Code is amended to read: 6601.5. If, within 15 working days from receipt of a special order, or action order by the division, the employer fails to notify the appeals board that he or she intends to contest the order, and no notice contesting the abatement period, the sufficiency of the changes required to abate the condition, or the characterization of any violation is filed by any party described in subdivision (b) of Section 6600 within that time, the order shall be deemed a final order of the appeals board and not subject to review by any court or agency. The 15-day period may be extended by the appeals board for good cause.
- SEC. 11. Section 6602 of the Labor Code is amended to read: 6602. If an employer notifies the appeals board that he or she intends to contest a citation issued under Section 6317, or notice of proposed penalty issued under Section 6319, or order issued

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under Section 6308, or if, within 15 working days of the issuance of a citation or order, any employee or representative of an employee files a notice with the division or appeals board alleging that the period of time fixed in the citation or order for the abatement of the violation is unreasonable, that the changes required to abate the condition are insufficient, or that the characterization of any violation is improper, the appeals board shall afford an opportunity for a hearing. The appeals board shall thereafter issue a decision, based on findings of fact, affirming, modifying, or vacating the division's citation or order, and may modify the proposed penalty, if the penalty modification is not in conflict with any other section of this code or regulation of the department, or direct other appropriate relief.

- SEC. 12. Section 6603 of the Labor Code is amended to read: 6603. (a) The rules of practice and procedure adopted by the appeals board shall do all of the following:
- (1) Be consistent with Article 8 (commencing with Section 11435.05) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of, and Sections 11507, 11507.6, 11507.7, 11513, 11514, 11515, and 11516 of, the Government Code, and shall provide affected employees or representatives of affected employees an opportunity to participate as parties to a hearing under Section 6602.
- (2) Ensure that all parties participate fully in any hearing, receive notices, be permitted to subpoena witnesses and documents at any time before the completion of the hearing, offer evidence, examine and cross-examine witnesses, and argue and submit briefs. Parties shall also have the right to participate fully in the settlement of a matter at the prehearing conference, hearing, or in any other proceedings where settlement may be reached. A party described in subdivision (b) of Section 6600 may object, within 15 working days of notice of the settlement agreement between the employer and the division, to provisions regarding the characterization of a violation, the amount of time in which abatement is to be accomplished, or the nature and sufficiency of abatement in a settlement agreement, if any of those are at issue in the appeal.
- (3) Provide for the scheduling of hearings in a manner designed to minimize inconvenience to the division and all parties and witnesses who are required to attend the hearings, and to be completed without significant lapses in time should the hearing not be completed within the time originally scheduled. The appeals

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board shall set initial hearing dates, subject to change upon agreement of the parties within 30 days of the notice of the initial hearing date, and shall not grant subsequent continuances absent good cause.

- (4) Establish a settlement program designed to bring the parties to an agreement at the earliest possible stage of the appeal.
- (b) The superior courts shall have jurisdiction over contempt proceedings, as provided in Article 12 (commencing with Section 11455.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.
- SEC. 13. Section 6603.1 is added to the Labor Code, to read: 6603.1. (a) The Legislature finds and declares that it is the duty of the appeals board to further the purposes of this division, which include ensuring safe and healthful working conditions for all working men and women in the state. The appeals board and its administrative law judges shall, in the conduct of hearings, gather evidence through oral testimony and records that is best calculated to ascertain the substantial rights of the parties and carry out justly the letter and spirit of this division, make a complete inquiry into the facts as to whether the employer committed the violation or violations alleged in the citation, and ensure that a full hearing record is obtained.
- (b) It is the intent of the Legislature that hearings held pursuant to this-chapter division be conducted in an informal setting that preserves the rights of the parties. In conducting hearings, the appeals board shall permit hearsay and opinion evidence, according it the weight that is appropriate under the circumstances, call and examine a party or any witness, and, on own its own motion, on its own motion may admit any relevant and material evidence.
- SEC. 14. Section 6603.2 is added to the Labor Code, to read: 6603.2. (a) The appeals board shall, at any time before an appeal is submitted for decision, regardless of whether the statute of limitations has run, allow the division to add or delete a citation or amend a citation or order by adding or striking out the name of any party, correcting a mistake in the name of a party, or correcting a clerical error or mistake in any other respect. The appeals board may allow the employer to amend, according to proof presented by the employer, the basis of its appeal. Leave to amend shall be liberally granted if the factual circumstances serving as the basis for the amendments have been litigated by the parties.

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(b) Each party shall be given notice of the intended amendment and an opportunity to object on the basis of prejudice. If prejudice is shown, the amendment shall not be granted. However, if the prejudice can be remedied by a continuance of the hearing, a continuance for further proceedings shall be granted in lieu of denying the amendment.

SEC. 15. Section 6603.3 is added to the Labor Code, to read: 6603.3. Whenever a case is within the jurisdiction of the Bureau of Investigations pursuant to Section 6315, the appeals board shall continue any hearing upon the written request of the division, employer, or any prosecuting attorney with jurisdiction over a criminal case involving the citation for which an appeal has been filed pursuant to Section 6602. In lieu of a continuance, the appeals board may dismiss the employer's appeal with leave to refile within 15 calendar days of the completion of the criminal case. Completion of the criminal case shall be deemed to occur on the date of a verdict of not guilty or the date of sentencing after a verdict or plea of guilty or no contest.

SEC. 16. Section 6610 of the Labor Code is amended to read: 6610. (a) Any notice, order, or decision required by this part to be served upon any person either before, during, or after the institution of any proceeding before the appeals board, shall be served in the manner provided by Chapter 5 (commencing with Section 1010) of Title 14 of Part 2 of the Code of Civil Procedure, unless otherwise directed by the appeals board. In the latter event, the document shall be served in accordance with the order or direction of the appeals board. The appeals board may, in the circumstances addressed in the Code of Civil Procedure, order service to be made by publication of notice of time and place of hearing. Where service is ordered to be made by publication, the date of the hearing shall be fixed more than 30 days from the date the application was filed.

(b) The employer shall give notice of any appeal filed pursuant to Section 6602 to its employees by posting the docketed appeal form, participation notice, and notice of hearing at or near the site of the alleged violation, or, if that is not practicable, at a conspicuous place where it will be readily observable by employees or at a location where employees report each day. The employer shall provide notice to each union, if any, with which it has a collective bargaining agreement. If the employer is cited as a

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controlling employer pursuant to paragraph (3) of subdivision (b) of Section 6400, it shall provide notice to the employers at the place of employment on the dates of any alleged violations. If an employee was injured, made ill, or killed as a result of the alleged violation that is being appealed, the employer shall also provide notice to the employee or, if the employee is deceased, the employee's family.

SEC. 17. Section 6620 of the Labor Code is amended to read: 6620. Upon the filing of a petition for reconsideration, or having granted reconsideration upon its own motion, the appeals board may, with or without further proceedings and with or without notice, affirm, rescind, alter, or amend the order or decision made and filed by the appeals board or hearing officer on the basis of the evidence previously submitted in the case, and shall issue an opinion or order within 90 days of the filing of the petition for reconsideration. If the appeals board grants reconsideration and directs the taking of additional evidence, it shall set a hearing for the taking of additional evidence within 60 days of the filing of the petition for reconsideration. Notice of the time and place of any hearing on reconsideration shall be given to the petitioner and adverse parties and to any other persons as the appeals board orders.

SEC. 18. Section 6621 of the Labor Code is amended to read: 6621. If at the time of granting reconsideration, it appears to the satisfaction of the appeals board that no sufficient reason exists for taking further testimony, the appeals board may affirm, rescind, alter or amend the order or decision made and filed by the appeals board or hearing officer and may, without further proceedings, without notice, and without setting a time and place for further hearing, enter its findings, order or decision based upon the record in the case. The appeals board shall issue an opinion or order within 90 days of the filing of the petition for reconsideration.

SEC. 18.

SEC. 19. Section 6622 of the Labor Code is amended to read: 6622. After the taking of additional evidence and a consideration of all of the facts the appeals board may affirm, rescind, alter, or amend the original order or decision. An order or decision made following reconsideration which affirms, rescinds, alters, or amends the original order or decision shall be made by the appeals board but shall not affect any right or the enforcement

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of any right arising from or by virtue of the original order or decision unless so ordered by the appeals board. The appeals board shall issue an opinion or order within 90 days after the hearing at which additional evidence is received.

SEC. 19.

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SEC. 20. Section 6625 of the Labor Code is amended to read: 6625. The filing of a petition for reconsideration shall suspend for a period of 10 days the order or decision affected, insofar as it applies to the parties to the petition, unless otherwise ordered by the appeals board. The appeals board upon the terms and conditions that it by order directs, may stay, suspend, or postpone the order or decision during the pendency of the reconsideration, except as to requirements for abatement set forth in Section 6319.6.

SEC. 20.

SEC. 21. Section 6627 of the Labor Code is amended to read: 6627. Any person affected by an order or decision of the appeals board may, within the time limit specified in this section, apply to the superior court of the county in which he or she resides, in which the employer is located, or in which the appeals board is located, for a writ of mandate, for the purpose of inquiring into and determining the lawfulness of the original order or decision or of the order or decision following reconsideration. For purposes of this section, "any person affected" includes the division, the employer, a party, an intervenor, and any person seeking to enforce the public's right to safe and healthful working conditions on behalf of employees within the state, regardless of whether that person has a beneficial interest in the order or decision at issue. The application for writ of mandate must be made within 30 days after a petition for reconsideration is denied, or, if a petition is granted or reconsideration is had on the appeals board's own motion, within 30 days after the filing of the order or decision following reconsideration.

SEC. 21.

SEC. 22. Section 6630 of the Labor Code is amended to read: 6630. The findings and conclusions of the appeals board on questions of fact are conclusive and final and are not subject to review. Such questions of fact shall include ultimate facts and the findings and conclusions of the appeals board. The appeals board and each party to the action or proceeding before the appeals board, and any person affected as defined in Section 6627, shall have the

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- right to appear in the mandate proceeding. Upon the hearing, the
- court shall enter judgment either affirming or annulling the order or decision, or the court may remand the case for further proceedings before the appeals board.